

CLT-UFA

CLT-UFA, in which AUDIOFINA and BERTELSMANN/WAZ have equal holdings, is the leading European radio and television group.

In Germany, RTL TELEVISION, the leading channel for the fifth consecutive year with 16.1% of the audience, increased its profitability by around 20% in 1997. CLT-UFA is expanding its activities into pay television through PREMIERE which boasted 1.6 million subscribers at the end of 1997. An agreement was signed with the KIRCH Group with a view to giving each of the two partners an equal controlling share in PREMIERE, which would be used as a basis for creating a new digital platform. This agreement is subject to the approval of the various national authorities responsible for the media and the European Commission.

In France, the television channel M6 is, for the second consecutive year, the only national terrestrial station to see its viewing figures rise. The digital satellite television company TPS brought its first year of operations to a brilliant conclusion with 350,000 subscribers. At the beginning of 1998, CLT-UFA reclassified its shareholding in TPS which was sold to M6 and SUEZ LYONNAISE DES EAUX. RTL confirmed its position as the market leader in radio broadcasting for the sixteenth successive year, while RTL2 succeeded in doubling its turnover. CLT-UFA has begun the process of bringing together its three radio stations: RTL, RTL2 and FUN RADIO.

In the Netherlands, the television channel RTL 4 is leading the field with an audience share of 21%, directly followed by VERONICA, the Group's second channel in this market with an audience of 10.5%. In compliance with the ruling of the European Commission, RTL 5 was relaunched in a new format as a news channel. In French-speaking Belgium, radio BEL RTL produced excellent results, attracting

for the first time ever an audience in excess of one million listeners.

Having obtained the last terrestrial channel available in the United Kingdom, on 30 March 1997 CLT-UFA launched the general audience CHANNEL 5, which performed in line with expectations over its first nine months of operations, despite initial difficulties.

The Group's first investment in television in eastern Europe, the general interest channel RTL 7, distributed in Poland by cable and satellite, achieved fourth position one year after its launch in December 1995 with an audience of 2.5%. RTL KLUB, the second commercial channel in the country, launched in Hungary in October 1997, established itself with 19% of the market barely three months after its launch.

In order to control sales of advertising space on its operations, CLT-UFA acquired IP/HAVAS INTERMEDIATION for FRF 860 million. In addition, CLT-UFA continued to expand into the strategic sectors of sporting and fiction rights, as well as production.

In 1997, following these major investments, in the first year after the merger, CLT-UFA produced a net consolidated loss of LUF 2.9 billion compared with a LUF 3.4 billion profit in 1996, in line with predictions. The profitability of its core businesses should grow by more than 50%, achieving an estimated level of LUF 7 billion, mainly through RTL TELEVISION and the most important profit centres. In parallel, CLT-UFA will make major investments in the PREMIERE digital pay television channel in Germany, as well as in other projects, hence the expected overall loss of LUF 8 billion for 1998.

Contribution to:

	Restricted consolidation		Consolidation (transitive)	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1997	-	-	(38)	(1.5)
Estimated value at 31.12.1997	-	-	1,747	67.5

Key consolidated figures (LUF million)

	1994	1995	1996	1997
Equity (before distribution)	14,550	18,021	23,472	19,187
Turnover	84,768	91,192	92,766	114,067
Net profit (Group share)	3,307	3,335	3,372	(2,882)
Dividends	1,333	1,437	1,461	n.a.

ÉDITIONS DUPUIS is the world leader in French-language cartoon strip books with annual sales of around 11 million albums. Using this business as a platform, the company has developed peripheral activities in audio-visual, licensing, the sale of publishing rights, direct marketing and the commercialisation of products from other publishers. DUPUIS also publishes the last major cartoon strip weekly, the Journal de Spirou.

Once again, 1997 was a year of growth for both turnover and profitability at ÉDITIONS DUPUIS.

Sales of albums in French-speaking and Dutch-speaking markets reached a historic high, largely thanks to a special re-issue of an album celebrating 40 years of GASTON LAGAFFE. On this occasion, more than one million albums were sold.

The Journal de Spirou continued to recover and now makes a positive contribution to the profitability of the Group.

A number of important licensing deals were made with major clients such as the QUICK and PETROFINA groups.

The distribution of albums from ÉDITIONS DE BALLON, a 33% owned company, in the French and Swiss markets was carried out by DUPUIS and grew substantially in 1997.

In the audio-visual field, MEDIATOON, a 100% subsidiary of ÉDITIONS DUPUIS, finalised the production of FLASH GORDON, which was broadcast on FRANCE 3.

The year 1998 will be marked by the distribution of the series of PAPYRUS cartoon films (39 episodes of 26 minutes) co-produced by the Parisian studios of ÉDITIONS DUPUIS France and TF1. The characters from PAPYRUS will be the focus of other major operations involving 20 album titles already in the DUPUIS catalogue and a new range of publications, as well as various licensing and promotion activities.

Thanks to the synergy in its portfolio of businesses, ÉDITIONS DUPUIS is looking to the future with serenity. The dividend for the year rose to BEF 85 million.

Contribution to:

	Restricted consolidation		Consolidation (transitive)	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1997	38	1.5	55	2.2
Estimated value at 31.12.1997	391	15.1	436	16.8

Key consolidated figures (BEF million)

	1994	1995	1996	1997
Equity (before distribution)	686	692	762	783
Turnover	1,637	1,675	1,799	2,057
Net profit (Group share)	86	62	77	98
Dividends	30	36	75	85